

Federal Housing Administration PowerSaver 203(k) Pilot Program

Background – Original Rollout of the FHA PowerSaver Pilot

On May 2, 2011, the Department of Housing and Urban Development launched the [***FHA PowerSaver Home Energy Retrofit Loan Pilot Program***](#), backed by the Federal Housing Administration (FHA). The program enables homeowners to make cost effective, energy saving improvements to their homes. Participating lenders will offer low-cost financing up to \$25,000 for terms as long as 20 years to make energy improvements of their choice, based on a list of proven measures developed by FHA and the U.S. Department of Energy (DOE).

Expansion of PowerSaver to a New PowerSaver Pilot 203(k) Program

On August 13, 2013, the Department announced its plan to expand the PowerSaver pilot program to the 203(k) Rehabilitation mortgage insurance program, also administered by FHA. The Section 203(k) program enables homebuyers and homeowners to finance the purchase (or refinancing) of a home, plus the cost of home improvements, into a single loan. Homeowners will be eligible for low cost financing when they include energy saving upgrades with their home improvement project, under the new program known as ***PowerSaver Pilot 203(k)*** program.

Borrower Incentives – PowerSaver Pilot 203(k)

Using grant funds, participating lenders will offer low cost financing to incentivize consumers who include energy saving upgrades with their home improvement project. The energy efficient upgrades must cost at least \$3,500 and can include a variety of items, such as an HVAC system, windows, insulation, caulking, and solar or other renewable technologies.

Besides the minimum \$3,500 required for energy upgrades, borrowers may finance lots of other home improvements with their 203(k) loan, including:

- Home modernization, such as kitchen or bath renovations
- Energy efficient HVAC and/or appliances, including geothermal or wood systems
- Structural alterations and reconstruction
- Adding or replacing roofing, gutters, and downspouts
- Adding or replacing floors and/or floor treatments
- Major landscape work and site improvements
- Enhancing accessibility for a disabled person

To find out more information, please email: [**FHAPowerSaver@hud.gov**](mailto:FHAPowerSaver@hud.gov)